

MINISTRY OF HOUSING

CO-OPERATIVE SOCIETIES

DISCUSSION PAPER

BACKGROUND

1. The Legislative Review Committee, appointed by the Minister of Housing in June 1982, is responsible for reviewing all the legislation administered by the Minister and the roles of all the statutory officers, bodies and committees created under that legislation.
2. Its first task was re-writing the Housing Act, which included the abolition of most of the statutory officers, bodies and committees created under that Act and the Home Finance Act.
3. In so doing, it has been necessary to consider more than legislative amendments in isolation. Broader issues of responsiveness to Government directions, the provision of adequate policy advice to the Government, and the creation of a more efficient and effective management structure for the Ministry have been found to be inseparable from the legislative review function.
4. The Committee has no powers, but may only make recommendations to the Minister. Preparation of its recommendations for the Housing Act alone involved seventeen formal meetings and hundreds of hours of work. The Bill has now been approved in principle by Cabinet and is being drafted. The Committee has held five further meetings, principally on the Co-Operation Act.
5. The Committee has engaged in the widest possible consultation with the Minister, Party committees, the Director of Housing, ministerial advisers, the various statutory officers, bodies and committees,

and the public service both within the Ministry and outside. It believes that in the case of the Housing Act it has arrived at a solution which in balance suits all interested parties and achieves the Government's aims.

6. On a preliminary investigation of the Co-Operation Act it became apparent that a great deal of thought and discussion was involved, perhaps as much as for the Housing Act. Since the Co-Operation Act was re-written in 1981 there has been a change of Government, there have been many changes in the structure, attitudes and management of the Ministry, and there have been major developments in the co-operative movement, especially credit societies.
7. The Committee has considered that, as a first step, a discussion paper should be written for wide circulation amongst all interested parties, in order to stimulate discussion and consultation. In discussions with the Director of Housing it was agreed that, like the Housing Act approach, the paper should canvas the wider issues of responsiveness to Government directions, the provision of adequate policy advice to the Government, and the creation of a more efficient and effective management structure for the Ministry, rather than be confined to legislative review of the Co-Operation Act in isolation.
8. It is perhaps trite to say that, in considering the subject of co-operation, the Committee considers it has a special duty to conduct its review in a co-operative spirit.
9. Although it is considered desirable to confine the subject to co-operative societies, some of the questions canvassed have application to building societies, co-operative housing societies, and industrial and provident societies. Those applications will be considered when the Acts covering those societies are reviewed.

THE LEGISLATIVE SCHEME

10. The Chief Parliamentary Counsel has characterised the Co-Operation Act as a legislative scheme for the regulation of co-operative societies in Victoria.
11. The Scheme comprises the responsible Minister, the Registrar of Co-Operative Societies, the Co-Operative Societies Advisory Council, the Credit Societies Guarantee Fund Advisory Committee, and the Credit Society Appeals Tribunal.
12. It permits five types of co-operative society. The types and the number registered at the 30th June 1982 are as follows :-

Producers	68
Trading	106
Community Settlement	28
Community Advancement	1030
Credit	<u>207</u>
	1439

In addition, secondary co-operatives, being associations or federations of primary co-operatives, are also permitted. There were five associations registered on that date.

13. Total membership exceeds 580,000, or 15% of the Victorian population. More than 70% of co-operatives are community advancement societies, principally involved in school or sporting projects.
14. The big attraction for many community advancement societies is the provision in the Co-Operation Act for Government guarantees of their borrowings from financial institutions. It is believed that many of them have no interest in or knowledge of co-operative principles. Consideration should be given to those societies which are not true co-operative societies to be registered under other legislation, such as the Associations Incorporation Act, with appropriate amendments.

15. The present Act has now been in operation for approximately one year and, as may be expected, several shortcomings have been revealed.

THE ROLE OF GOVERNMENT

16. A co-operative society is by its essential nature a private organisation, and one which the Government wishes to encourage while ensuring that the interests of its members and the people of Victoria generally are protected.
17. The Government has an open mind on the subject and is seeking advice from all interested parties.
18. The general Government policies of consultation, increased Ministerial control over Government activities, reduction in the number of statutory entities, reduction of white collar crime, greater efficiency in Government, and law reform all have application in the area of co-operative societies.
19. The Government is interested in the following aspects of co-operative societies :-
 - (1) Protecting the interests of the public and society members by ensuring the stability of societies and monitoring them to prevent fraud and mismanagement.
 - (2) Promoting the principles of co-operation .
 - (3) To the degree that Government expenditure or guarantee of funds is involved, the Government would wish to ensure the effectiveness of the use of those funds.
20. There would appear to be considerable scope for the development of specific policies on co-operative societies. Some policies are proposed in this paper. Some proposals for the improvement of the sources of policy advice are also made.

21. There would, in particular, appear to be a distinct role for the Government in promoting the co-operative movement in Victoria. This could be done in conjunction with the Co-Operative Federation of Victoria, which is the secondary co-operative providing cohesion and encouraging the development of the principles of the international co-operative movement in this State. It has some quite specific proposals for an educational program including a professionally prepared brochure, a video presentation, and an increased public profile for the Ministry. This would involve an evaluation of the costs entailed.

THE PHILOSOPHY OF CO-OPERATION

22. The International Co-Operative Alliance states the philosophy of co-operation as follows :-

"The common element at all times has been that Co-operation at its best aims at something beyond promotion of the interests of the individual members who compose a co-operative at any time. Its object is rather to promote the progress and welfare of humanity. It is this aim that makes a co-operative society something different from an ordinary economic enterprise and justifies its being tested, not simply from the standpoint of its business efficiency, but also from the standpoint of its contribution to the moral and social values which elevate human life above the merely material and animal."

23. This philosophy has developed over approximately 150 years and in many countries, regardless of their system of government. It is translated into modern application in the following principles, as adopted by the International Alliance :-

- (1) Membership of a co-operative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

- (2) Co-operative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted in a democratic basis in a suitable form.
- (3) Share capital should only receive a strictly limited rate of interest, if any.
- (4) Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows :

- (a) By provision for development of the business of the co-operative;
- (b) By provision of common services; or,
- (c) By distribution among the members in proportion to their transactions with the society.
- (5) All co-operative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of co-operation, both economic and democratic.
- (6) All co-operative organisations, in order to best serve the interests of their members and their communities, should actively co-operate in every practical way with other co-operatives at local, national and international levels.

24. It is proposed that there be a definition of co-operative in the Act, and that it be based on these principles. The Registrar would then need to be given the statutory power or duty to refuse to register or to de-register

a society which does not conform to the principles. (Model rules of societies permit boards of societies to refuse membership without providing a reason. This could be used to exclude individuals who were considered disruptive of the co-operative principles, but does not address the problem of societies which do not adhere to the principles).

25. Particular attention will need to be given to distinguishing the essential element of advancing the economic interests of members in situations where ownership is divorced from management. The essential difference is not that a co-operative society may not make a profit, but that the profit (usually called a surplus) is returned to the members who are also the people who generated the surplus. In its historical development the co-operative sought to exclude investors who contributed only capital and who expected a return on their capital by both interest and capital gain. It is sometimes difficult to retain this distinction in modern capital-intensive enterprise, and this partly explains why most, though not all, co-operative societies are relatively small. An exception to this is the recent growth and diversification of some credit societies, which are adopting modern commercial practices.
26. It is in this context that the proposal for equity housing co-operatives needs to be considered. Not only must they conform to co-operative principles and the Government's policies in relation to co-operation; they must also conform to the Government's housing policies. The proposal would conform to the co-operative principles and to the Act as it stands if surplus was applied to developing the co-operative business, providing common services, or distributed among the members in proportion to their transactions with the society. "Transactions" would need to be interpreted broadly to include contributions in the form of labour or materials. These could be rewarded by agreed salaries or by issue of bonus shares. Each member would still have only one vote but could start with only one share and end up with multiple shares which he/she could sell for their par

value when leaving the society. Consideration would have to be given to questions of capital gain, payment of dividends, and inheritance. There would need to be special model rules. This proposal is the subject of a study on equity housing co-operatives presently in preparation by the Ministry.

27. Another interesting and essential element of the co-operative enterprise is illustrated in the saying : "the boss can't do without the workers, but the workers can do without the boss". Co-operative enterprise is democratically managed by its own members. There are two varieties : those comprising workers alone, and those comprising workers and the surrounding community such as spouses, customers, and other persons with a common interest. However, their development would involve amending the Act to remove the restriction on the number of employees who may be on the board. It also involves encouragement by Government funding. A further question is the attitude of the trade union movement on such questions as union membership, award wages, and employer-employee relations.

MANAGEMENT QUESTIONS

28. The proposed Housing Bill, if enacted, would abolish the Housing Commission, the Home Finance Trust, three advisory committees, and one statutory officer (the Chief General Manager). These are amongst the fifteen statutory entities within the Ministry. They are being abolished in order to simplify the Ministry structure into one more nearly in accordance with the basic ministerial department. The only statutory entity under the new Housing Act would be the Director of Housing, a corporation sole vested in the permanent head with strictly limited functions of a legal nature and a very low profile. In all his actions he is subject to the direction and control of the Minister.

29. However, many other statutory entities remain, including, under the Co-Operation Act, the Registrar, the Co-operative Societies Advisory Council, the Credit Societies Guarantee Fund Advisory Committee, and the Credit Society Appeals Tribunal. The Legislative Review Committee is charged with reviewing the roles of all of them, and it does so with an open mind.
30. Just as the Act has been characterised as a legislative scheme, so the role of the Registrar has traditionally been perceived as chief administrator of the scheme. However, as modern management philosophies and practices are applied in government, the role of government is changing from the administration of Acts of Parliament to the management of the Government's business and the implementation of Government policy. This is a change in attitude from a reactive to an active role.
31. Consideration should be given to whether the Act should be amended to provide that the Registrar, like the Director of Housing, should be subject to the direction and control of the Minister, so as to ensure the implementation of Government policy.
31. Whether or not the Act is amended in this way, the Registrar should become more the manager of his office than a statutory officer. He should play an active part in the Senior Officers Meeting of the Ministry, and advise and report to the Director of Housing as his permanent head both at the Senior Officers Meeting and in private. This permits the permanent head to fulfil his statutory duty as set out in section 22(4) of the Public Service Act :-
- "Subject to this act the permanent head of a department shall be responsible for its general working and for the transaction of the business thereof and shall advise the Minister administering the department in all matters relating to the department".

33. Consideration should be given to whether reporting to the permanent head should include reporting on the Registrar's specific statutory duties as well as management matters. An alternative arrangement would be for the permanent head to be Registrar. He could then delegate some or all of the Registrar's statutory functions to an officer of the Ministry such as the General Manager of the Legal and Registry Division. However, there are many such functions and many involve exercise of a personal judgment and discretion which it may not be appropriate to delegate.
34. The Registrar and his staff are required to maintain secrecy about the affairs of any society. Section 212 of the Co-Operation Act forbids them to disclose any information except to the extent necessary to perform their duties. This exception would appear to permit full disclosure to the permanent head and the Minister, even if the Act has to be amended to ensure that the permanent head is also bound to secrecy.
35. There is a need for more comprehensive Government monitoring of societies, especially some credit societies having regard to their rapid growth and diversification. In fact, as their activities become more commercial in nature, they are diverging somewhat from the other types of co-operative society. Consideration should be given to separating them out into their own Act, as in other states, with less stringent adherence to co-operative principles and more stringent Government control over their activities than other co-operatives.
36. There is also a need for research staff to conduct research on trends in the credit society sector, trends in the co-operative movement, new applications of co-operative principles, development of new policies and review of existing policies, reform of legislation, subordinate legislation, model rules, forms and returns.

ROLE OF THE CO-OPERATIVE SOCIETIES ADVISORY COUNCIL

37. The Advisory Council is appointed by the Minister and comprises six members, including the Registrar (Chairman), an officer of the Department of Management and Budget, two representatives of the Co-Operative Federation of Victoria, and two others.

38. Its duties include :-

Considering applications for registration on
reference by the Registrar (s. 53(8))

Considering representations by societies on
transfers of engagements (s. 78(10))

Advising the Registrar on charges levied by
societies (s. 83(4))

Approval of changes to rules (s. 100(5))

Advising the Registrar on qualifications of
directors (s. 104(1))

Considering representations by directors when
administrator appointed (s. 166(1))

Recommendations to the Minister on formation of
societies, methods of operation, finance
(including guarantees), and matters
prescribed under regulations or referred
by the Minister (s. 218(4)).

Many of these functions are confined to societies other than credit societies.

39. The present Council was only constituted in 1982 under the new Act. Its predecessor existed for many years and was appointed by the Governor in Council, whereas the present one is appointed by the Minister and can be dismissed by him at any time.

40. Consideration should be given to whether the Council could be replaced, as in the case of the Housing Bill, by a power in the Minister to appoint or dismiss ministerial advisory committees from time to time to

advise him on such matters as he sees fit. This would give the Minister greater flexibility than at present, and would permit him to appoint policy advisers from whatever source he saw fit, including Party members, ministerial advisers, public servants, co-operative sector representatives, or experts. Such a committee could be an improved source of policy advice to the Council. This is not to suggest in any way that there should not be the closest consultation at all times between the Government and the co-operative sector. Abolition of the Council would continue the process of streamlining the Ministry's management structure.

41. Many of the statutory functions referred to above are more of an administrative than a policy nature. Consideration should be given to whether the Council's administrative role could be more appropriately performed by the Registrar and his staff. If the Registrar considered that he should obtain guidance, he has access at all times to the permanent head and, through him, to the Minister. Much of the Council's time is spent approving applications for guarantees. This could be done by the Registrar within guidelines agreed to by the Treasurer and the Minister.

ROLE OF THE CREDIT SOCIETIES GUARANTEE FUND ADVISORY COMMITTEE

42. The Advisory Committee comprises seven members appointed by the Minister, and must include the Registrar or his nominee (the Deputy Registrar), a lawyer, a company auditor and four persons representing the interests of credit societies.
43. The Advisory Committee, as is obvious from its name, has the primary function of administering the Guarantee Fund (s. 22 and following sections) to which individual credit societies are required to contribute (s.23).

Those monies are private funds, and not Government funds, and are comparable with guarantee funds for building societies, solicitors, and estate agents. The Committee members are in effect trustees of the fund.

44. However, the Advisory Committee also has various other statutory duties, including :-

Placing societies under direction (s.30).
 Approving societies' credit arrangements and investments (s. 18(2)).
 Recommendations re compulsory loans (s.25)
 Appointing auditors to societies (s. 34).

It also has many of the powers mentioned in paragraph 38 above insofar as they relate to credit societies.

45. The total amount invested in credit societies in Victoria is approximately \$1000 million, broken down into sizes in terms of value of assets as follows :-

\$ 50 - \$100 million	3
\$ 25 - \$ 50 million	5
\$ 5 - \$ 25 million	32
\$ 1 - \$ 5 million	50
Under \$1 million	90

Credit societies appear to be growing in popularity and their premises, often modern and prominent, are a striking addition to the urban and provincial environment.

46. The Committee's predecessor, which was under the chairmanship of the Registrar, was located in and staffed by the Ministry of Housing. The present Committee established under the 1981 Act has relocated in its own premises at 343 Little Collins Street, Melbourne, and has its own non-public service staff. The reasons advanced for this separation are :-

- (1) The credit union industry is a private industry which receives no Government assistance.
- (2) The industry is serviced by a major private secondary co-operative, the Victorian Credit Co-Operative Association Limited.
- (3) The Fund is financed entirely by credit societies, and not by the Government.
- (4) The primary function of the Committee is to administer the Fund; all aspects of credit societies requiring Government supervision are handled by the Registrar and the Co-Operative Societies Advisory Council.
- (5) Credit societies have an Australia-wide confederation, and the trend away from Government is a national and international one. In New South Wales there is no Government representative on the Committee - only an observer.
- (6) There is an advantage in the Committee being outside the Ministry and the Public Service in that it is thereby prevented from obtaining confidential knowledge known to the Registry, although the two work closely together.
- (7) The nature of operations of credit societies is very different from other types of co-operative society, even though all are presently administered under the Co-Operation Act.
- (8) There would be major objections from the Committee itself and the industry if it were brought back within the Ministry.
- (9) The Committee is presently being run at no cost to the Government. If it were brought back in to the Ministry, the Ministry would presumably have to bear the administrative costs.

47. There would appear to be a continuing role for the Advisory Committee in its primary function of administering the Guarantee Fund. Since it comprises private monies it would seem to be an unnecessary incursion by Government to assume control of the Fund.
48. However, consideration should be given to the other functions of the Advisory Committee, to which many of the arguments about the Advisory Council apply. Ministerial advisory committees may be an improved source of policy advice. Administrative functions may be better performed by the Registrar and his staff, with guidance where necessary from the permanent head and the Minister. All the more so if an adequate staff of experienced inspectors, accountants, lawyers, investigators, and research staff are available.

MINISTERIAL CONTROL OF INTEREST RATES

49. By a 1982 amendment to the Building Societies Act, the Minister was granted power to control the maximum rate of interest at which building societies can make loans to their members for housing purposes. It would be consistent for the Co-Operation Act to be similarly amended so that the Minister could control credit society interest rates, at least for that small but growing part of their business - housing loans. Consideration should also be given to control of credit society loans for any purpose. This requires consultation with the Department of Management and Budget and the credit societies.

DIFFERENT TYPES OF CO-OPERATIVE SOCIETY

50. In addition to the five types of primary co-operative society and two types of secondary co-operative society established under the Co-Operation Act, there are other types of society based on co-operative principles in operation in Victoria :-

15 co-operative companies incorporated before 1953 under the Companies (Victoria) Code or its predecessors which elected not to transfer to the Co-Operation Act when it was first enacted.

6 co-operative societies incorporated under the Industrial and Provident Societies Act.

1930 co-operative housing societies incorporated under the Co-Operative Housing Societies Act.

19 building societies registered under the Building Societies Act with a co-operative capital structure.

51. The Housing Bill, if enacted, will establish a new type of rental housing co-operative for use principally by Ministry tenants, as a means of furthering the Government's housing policy of encouraging tenant participation in management. There will be a fifth Registry, namely of Rental Housing Co-Operatives, established in the Ministry. An interdivisional committee has been appointed to prepare regulations, model rules, return forms and accounting procedures. The Government is giving consideration to rental housing co-operatives which own their own stock for leasing to their members.
52. The proposal for equity housing co-operatives is discussed in detail in paragraph 26 above. This would appear to be a variation of the existing community advancement society under the Co-Operation Act, although if approved by the Government it will probably need its own special set of model rules and may need to be a new type of society under the Co-Operation Act. Further consideration awaits the report presently in preparation.
53. The proposed industrial co-operative is discussed in detail in paragraph 27 above. If approved, this would involve various amendments to the Co-Operation Act.

54. The Aboriginal Land Claims Bill presently before Parliament requires claimant groups to incorporate before they take a transfer. The method of incorporation is left open, but the one perhaps most suited to the Aboriginal culture is the co-operative society. There are already in existence co-operative societies of various types whose members are Aboriginal. These have been unsatisfactory from the viewpoint of both the societies and the Registry, largely because of problems associated with management, the keeping of accounts and the lodging of returns.

The question of having a new type of society especially for Aborigines has been raised. This could be even more specialised as a co-operative for holding and managing land for the purposes of the Aboriginal Land Claims Bill. The holding of land appears to be important to the Aboriginal culture. Alternatively, if the different types of society were abolished, model rules, accounting procedures and forms of return could be modified to suit the needs of individual societies.

The problem of accounting could be overcome by the establishment of secondary co-operatives to provide specialised accounting services to the primary co-operatives. It appears important to Aborigines that the primary co-operatives remain closely tied to local communities. Other ways of improving the operation of co-operatives include training in management and a centralised computer service.

55. There are some 30 societies registered under the Industrial and Provident Societies Act. That Act is deficient in that the Registrar cannot conduct inspections or investigations unless requested to do so by the members. Furthermore, they are required to lodge their returns with the Corporate Affairs Office and not the Registry. It would appear appropriate for those industrial and provident societies which are co-operative in nature to transfer to the Co-Operation

Act, and for those which are not co-operative to be transferred to the Companies (Victoria) Code. The Industrial and Provident Societies Act could then be repealed.

56. There is virtually no joint human endeavour to which co-operative principles cannot apply. There is great scope for new applications, and these will be assisted by promotion, education and research. It may be more appropriate for the distinctions between different types to be removed, thereby allowing for an infinite variety of societies. They would be regulated by the principles applying to all societies.

RESEARCH

57. The Australian National University has awarded a scholarship for a PhD thesis on the history, development and significance of the co-operative sector in Australia. It is intended that the thesis cover :-

Early Australian co-operation

The evolution of the co-operative sector

Legislation and other institutional responses

Case studies

The extent of Australian co-operation

Australian co-operation in the international sphere.

58. The Holmesglen College of Technical and Further Education has advertised for a research officer and curriculum adviser on co-operative education for young unemployed persons.
59. A Melbourne University student is doing his Master of Commerce thesis on the co-operative movement in Victoria from 1953 to 1983.
60. The need for the Ministry to have its own research staff is discussed in detail in paragraph 36 above.

PROPOSALS FOR SPECIFIC AMENDMENTS TO THE ACT

61. The present Act restricts the number of directors of a society to not fewer than three and not more than seven. Democratic management and involvement of members in management mean that some societies would like to have quite large boards of directors. There is no upper

limit for companies or building societies. It is proposed that the upper limit be abolished.

62. Because of the co-operative principle of restricting profit, members receive no capital appreciation on their shares. For those who took up their shares a long time ago, this is seen by some as inequitable in the many cases where the asset value of the society has greatly increased due to the effect of inflation. This problem was overcome in New South Wales in 1979 by inserting a provision in that State's Co-Operation Act to the effect that, where assets in a society have been sold at a profit or revalued at a greater value, the society may issue bonus shares to its members subject to certain constraints. This proposal needs to be considered in conjunction with the philosophical questions discussed in paragraph 25 above.
63. Consideration should be given to reviewing penalties for breaches of the Act to take account of inflation and the Government's general policy of increasing control of white collar crime. The Minister has also undertaken to the Premier to convert penalties to units in accordance with the Penalties and Sentences Act.
64. It has been proposed that there be an additional provision inserted to require that all loans to directors, officers or staff of a society or their immediate families be approved by the full board of directors rather than delegates, that a separate register of such loans be kept, and that the auditor report any defaults or breaches of the provision to the Registrar.
65. The Act could be extended to permit societies in other States to join a Victorian federation and enjoy the services provided by a secondary co-operative where such services may not be available in their own State.

66. A difficulty arises with some producers societies. Farmers can gain benefit from forming a producers society of as few as two members, in order to pool their resources of labour, machinery, crops, land and skills. The present minimum number of members of a society is seven, except for credit societies where the minimum is fifty. The Co-Operative Federation would like the minimum for producers societies to be two, for the benefit of some farmers. This proposal also requires consideration in conjunction with the philosophical question raised in paragraph 25 above. It may be that such a small membership would not be truly co-operative and that a partnership or company would be more appropriate in these cases.
67. Over a period of time, some societies change their nature and operations from one type to another under the Act. However, they must remain under their original registration. This appears to be unnecessarily rigid, and it is proposed that provision be inserted for societies to convert from one type to another under the Act with the approval of the Registrar. There would, of course, be no need for such provision if the different types of society were removed.
68. There has been a proposal that the Registrar be granted additional grounds for both appointment of an administrator of a society and directing a transfer of engagements in cases where the society is unable to trade profitably, has an accumulated deficit, or its affairs are being conducted improperly or unsoundly.
69. There has been a proposal for credit societies to have a reserve fund similar to that contained in section 65 of the Building Societies Act. This is to amount to 0.5% of the aggregate liabilities of the society or any other prescribed percentage.

70. The Registrar has requested a large number of amendments which correct errors in the present Act, clarify it, or make minor improvements to its operation.

CONSULTATION

71. Co-operative societies affect a wide range of government and non-government organisations, and consultation should be as broad as possible. In addition to consultation within the Ministry, and the various statutory entities, others to be consulted should include :-

The Corporate Affairs Office on inspections, returns and prosecutions

The Victoria Police on possible criminal charges such as fraud and deception

The trade union movement on industrial co-operatives

The Department of the Premier and Cabinet

The Department of Management and Budget on budgets for the Registries, interest rates of credit societies, and Government guarantees

Registrars in other States on legislation and trends in the co-operative movement and the credit society industry

The Rental Housing Co-Operative Advice Service

The Co-Operative Federation of Victoria on proposed legislation amendments and the co-operative movement generally

The Ministry of Employment and Training on industrial co-operatives and the Community Employment Co-Operative Development Program

Labor Party Policy Committees, including Housing, Economic, and Consumer Affairs on policy aspects

The Municipal Association of Victoria

The Aboriginal Housing Board

Government Bill Committee on amendments to the Act

The Victorian Credit Co-Operative Association on matters affecting credit societies

Individual societies and their professional advisers.

This list is not intended to be exhaustive.

SOURCES OF INFORMATION

72. This paper has been prepared with the following assistance:
- Discussion with and paper from the Director of Housing
 - Discussions with the former Registrar and Deputy Registrar
 - Discussions in the Legislative Review Committee
 - Submissions to the Legislative Review Committee by :
 - The former Registrar
 - The Co-Operative Societies Advisory Council
 - The Credit Societies Guarantee Fund Advisory Committee
 - The Co-Operative Federation of Victoria
 - The Rental Housing Co-operative Advice Service
 - Discussions in the Co-operative Societies Advisory Council
 - Discussions with and paper from the Executive Officer of the Co-Operative Federation of Victoria
 - Report of the International Co-Operative Alliance Commission on Co-Operative Principles
 - Ministry of Housing Manpower Budget 1982/3 on Control of Societies - paper by Mr. Kerry Nolan
 - Discussions with Messrs. Denis Ingemann and Gib Wettenhall of the Ministry of Housing
 - Report of the Co-Operative Federation of Victoria, February 1983
 - Minister's speech at the formation meeting of the Co-Operative Federation of Victoria
 - Discussions with Chief Parliamentary Counsel
 - Discussions with Deputy Solicitor of the Ministry
 - Draft Corporate Plan of the Ministry
 - ABC program on worker co-operatives - 15th March 1983
 - Correspondence with Dr. Ken Coghill Assisting the Premier on Aboriginal Affairs
 - Discussions with Dr. Coghill and Mr. Reg Blow
 - Report to Minister on Aboriginal co-operatives by Co-Operative Societies advisory Council.

6th June 1983.

and Australia.

- (2) The Government has a major role to play in encouraging the development of the movement.
- (3) Government must work with the movement and regulate but not direct it. A Victorian Co-operative Authority is one idea to be considered.
- (4) The national finance facility proposed by the credit society movement has further potential as the financier, not only for the national credit society movement, but the co-operative movement as a whole.
- (5) Victoria should commence discussions with the other States, the Commonwealth and the national co-operative movement on the possible establishment of a National Co-operative Authority.
- (6) Industrial co-operatives are likely to be a major area of development within the co-operative movement.

BILL KILPATRICK

9TH MAY, 1984.